

Conservation Banks: Regional Planning's Newest Tool

By Michael McCollum

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After years of false starts, it is said that regional planning has come of age. It is finally recognized that traditional project-by-project approaches to land use planning do not work. If you doubt that statement, consider the massive and haphazard development that encroached upon the natural landscape over the past two decades. After all the dust settled, significant and irreplaceable habitat is gone, and once expansive ecosystems are more fractured than ever.

Determining appropriate areas to preserve as habitat is a challenging exercise; but, in reality, this is the easy part. In many of our most highly fragmented ecosystems, much of the land that needs to be preserved is private property. Taken regionally, obtaining this land for public benefit is an expensive proposition. The real challenge is finding funding mechanisms to underwrite the purchase of these open space preserves.

Under regional planning, impacts should occur in areas better suited for development. The remaining, more sensitive, habitat areas are supposed to be preserved as open space. The idea is to fast-track development in areas planned for such use. This should conserve money to purchase property from landowners in areas of more constrained development (a.k.a., future conservation areas) while providing those landowners economic incentives to sell. Money previously spent on attorneys, consultants, and lenders for development, can now be spent on acquiring habitat lands. But, this is the rub: to be successful under this scenario, regional planning must encourage development. For many, this is a hard concept to accept.

Traditionally, one of the primary mechanisms for obtaining open space is through regulatory fiat. If you want to develop your property, you first have to give government something it wants...land. As long as the landowner can make a profit, he goes along with it, if not a bit grudgingly. However, this process preserves far less than what is needed to maintain stable populations of wildlife and has major constitutional limitations.

Since we know government cannot pay for massive acquisitions, and private property cannot be taken without compensation, there are only two options left. Challenge the constitutional rulings, but risk landowner rebellion against what would certainly result in unbearable regulations. Or completely restructure the whole project-by-project mitigation concept into a new approach.

I suggest that the latter is the only feasible alternative. Oppressive regulation, no matter how noble the justification, spawns equally impressive opposition. When society's property rights, comforts, and jobs are at risk, the environment will almost always lose the contest.

Effectively addressing mitigation on a landscape, multispecies level is incompatible with the traditional project-by-project approach where each project mitigates for itself, preferably onsite. Nevertheless, many of us continue to try to merge the two approaches. This reluctance to dump the old and adopt the new is having disastrous consequences. Regional planning, for example Natural Communities Conservation Plans in southern California, is designed from a

whole new cut of cloth to replace traditional project-by-project methods. Instead, timid policy makers simply overlaid it. The most serious fallout of this situation is the growing sourness of relations among government agencies, environmental groups, and landowners. Many who were once vocal proponents of regional planning are beginning to express doubts about the program.

To reverse this dismal trend, I believe that policy makers and landowners must more clearly define and agree upon the real vision of regional planning and how it works, complete with examples. Most importantly, this vision must be communicated to their staff in the field; consultants, agency staff, activists, and landowner and developer representatives, alike.

Radical thinking must prevail. Each participant must think in terms of how to develop solutions that benefit the other participants. Government must minimize regulatory inducement and find incentives for landowners to do good things for the environment on their own. The surest way to encourage cooperation is preservation of self-interest.

A good example of landowner incentives is conservation banks. Conservation banks are pre-approved mitigation banks sited in areas that regional planning designates as open space. These banks sell conservation credits, not simply acres. Generally, all the credits in the entire bank have equal habitat value. Each credit sold represents mitigated habitat, a management plan, and a prorated portion of the endowment account that will fund management in perpetuity. A developer needing mitigation can purchase a credit from a bank in a day, instead of the six months to a year it typically takes to find a site, have it approved by the wildlife agencies, negotiate its purchase, set up a management plan, and fund long-term management. Credits can be sold in quantities as little as one tenth of an acre, or thousands of acres.

This concept encourages landowners to set aside their property for open space rather than fight for development because they can make a profit by selling the land with speed and ease. Developers in need of mitigation will pay a premium for this. Conservation banks complement regional planning because land is obtained for public benefit, yet no government money is spent. For the landowner, a novel thing has happened: endangered species are now an economic asset!

Conservation banks serve the public's interest by ensuring that mitigation is meaningful, ecosystems are properly designed, managed, and interconnected, and endangered and other sensitive resources can have a reasonable chance of persisting into the future. Importantly, this is accomplished without depending entirely on government programs or unworkable regulations.

In my view, we need to look at development as one of several financial opportunities to construct permanent ecosystems. To ensure that conservation banks are financially successful, mitigation policies must be more flexible and focus upon management, restoration, and preservation of habitat offsite. The market area for sales of conservation credits must recognize that ecosystems are created on a macro scale, not arbitrary limits on distance from the bank site. And, finally, the process of implementing mitigation requirements encourages landowners to participate in this process, not making it so onerous that resistance to conservation, or reliance on expensive consultants, is a viable option.

Conservation banking is but one idea to address our natural heritage stewardship responsibility. We need to think of other ideas and give them a try. This may require some original thought. Differences of opinion will continue. No one has all the right answers. But we must engage in constructive debate, not guerrilla warfare. There is still time to conserve our natural heritage, and we must rise to the challenge to be good stewards of what has been given to us. We have very few chances remaining before an increasingly urban society, with little attachment to the natural world, makes these decisions for us. Let's show some courage and make it happen, together.

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